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State of New Jersey

**Public Employees'
Retirement System**

**LAW
ENFORCEMENT
OFFICERS (LEO)
ADDENDUM**



August 2016

**Department of the Treasury
Division of Pensions and Benefits**

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

HANDBOOK ADDENDUM FOR LAW ENFORCEMENT OFFICERS ENROLLED IN THE PERS

INTRODUCTION

N.J.S.A. 43:15A-97 established the Law Enforcement Officer (LEO) category as a special group of the Public Employees' Retirement System (PERS). The LEO group is eligible for enhanced retirement benefits not available to regular PERS members.

This *Handbook Addendum* addresses the benefits available to LEO members that are different from the benefits available to regular PERS members. If a topic is not specifically addressed in this addendum, LEO members should refer to the information in the *Public Employees' Retirement System Member Handbook*.

Benefits and provisions of the Public Employees' Retirement System are subject to changes by the legislature, courts, and other officials. While this booklet outlines the benefit and contribution schedules of the Public Employees' Retirement System, it is not a final statement. Complete terms governing any employee benefit program are set forth in the New Jersey Statutes Annotated. Regulations, new or amended, are published in the New Jersey Register by the State Office of Administrative Law supplementing the New Jersey Administrative Code.

MEMBERSHIP

Eligibility

Individuals who do not meet the age or medical requirements for entry into the Police and Firemen's Retirement System (PFRS) as a result of employment in the titles listed below, are eligible to participate in the PERS LEO category or as a regular member of the PERS.

Any person employed in an eligible job title who meets the enrollment criteria will be enrolled in the LEO category of PERS membership, unless the member specifically signs a *Law Enforcement Officer - Waiver Form* within 90 days of receiving the LEO eligibility notification. A LEO-eligible individual, who signs the waiver form, will be enrolled as a non-law enforcement officer in the regular PERS category of membership; however, all employees holding "LEO-eligible titles" are subject to the Compulsory Retirement provisions as described under the "Retirement" section of this booklet.

The category of individuals authorized to participate as LEO members is limited and is specifically defined in the law by titles of positions (N.J.S.A. 43:15A-97).

PERS LEO Eligible Titles

The following titles are covered by the LEO designation:

Division of Fish and Game

Conservation Officer

Office of County Prosecutor

County Detective

Lieutenant of County Detectives

Captain of County Detectives

Chief of County Detectives

County Investigator

Office of County Sheriff

Sheriff's Officer

Sergeant Sheriff's Officer

Lieutenant Sheriff's Officer

Captain Sheriff's Officer

Chief Sheriff's Officer

Sheriff's Investigator

Palisades Interstate Park Commission

Police Officer

VESTING

LEO members must have contributed for at least 10 years in order to receive the LEO calculation of the benefit.

RETIREMENT

Individuals classified as LEOs are entitled to enhanced retirement benefits provided they retire directly from a LEO eligible position and meet the age and service requirements outlined below. LEO members can retire at a younger age than non-LEO members of the PERS.

Types of Retirement

The following are the retirement qualifications and calculations that are unique to LEO members of the PERS.

Service Retirement

Service Retirement is permitted at age 55 after 20 years of Law Enforcement Officer service. The annual retirement allowance is equal to two percent of the Final Average Salary times the number of years of LEO service for which contributions were made, up to 25 years — plus one percent for each year of LEO service over 25 years. LEO members who have other non-LEO PERS service are also entitled to an additional 1.81 percent of the Final Average Salary for each year of non-LEO PERS service credit.

N.J.S.A. 43:16A-11.1 provides for a supplementary "special" retirement allowance equal to five percent of the Final Average Salary for LEO members who retire with 25 or more years of LEO service. However, under no circumstances can a LEO member receive a total retirement allowance greater than 70 percent of Final Average Salary.

A LEO member with 10 or more years of LEO service who either does not meet the qualifications for a Service Retirement as outlined above or is not in an eligible LEO position at the time of retirement, may retire under the Service Retirement provisions available to non-LEO members of the PERS — if the member meets the age requirements (age 60 or older).

If eligible, in addition to any retirement allowance based on non-LEO service, the LEO member is entitled to a retirement allowance equal to two percent of the Final Average Salary times the number of years of LEO service for which contributions were made (up to 25 years, if applicable, plus one percent for each year of LEO service over 25 years).

See the *PERS Member Handbook* for more information on non-LEO Service Retirement.

"Final Average Salary" (FAS) means your average base salary for the three years immediately preceding your retirement. If your last three years are not your highest years of salary, your allowance will be calculated using your three highest fiscal (July 1 to June 30) years of salary.

Ordinary Disability Retirement

Ordinary Disability Retirement is permitted after five years of Law Enforcement Officer service. The annual retirement allowance is equal to 43.6 percent of the Final Average Salary.

See the *PERS Member Handbook* for more information on Ordinary Disability Retirement.

Accidental Disability Retirement

While all other benefits of a LEO Accidental Disability Retirement are similar to that of the regular PERS (72.7 percent of the base salary at the time of the traumatic event), there is a minimum \$5,000 Group Life Insurance death benefit in the event of death after retirement.

See the *PERS Member Handbook* for more information on Accidental Disability Retirement.

Compulsory Retirement

Non-veterans must retire by the first day of the calendar month after attaining age 65. However, veterans who lack 20 years of PERS service credit at age 65 must retire as soon as they have 20 years of such service or on attainment of 70 years of age, whichever is earlier.

Note: A PERS member who is eligible to participate in LEO, regardless of whether he or she waives the right to participate in the LEO category or not, is subject to the Compulsory Retirement provisions applicable to LEO eligible members.

OPTIONAL SETTLEMENTS AT RETIREMENT

The pension payment options available to LEO members and their survivors are the same as for regular PERS members. Please see the *PERS Member Handbook* for more information.

HEALTH BENEFITS COVERAGE AT RETIREMENT

Eligibility for post-retirement health benefits coverage varies by employer.

- If your employer participates with the State Health Benefits Program (SHBP), see your employer or Fact Sheet #11, *Enrolling in Health Benefits Coverage When You Retire*, for more information.
- If your employer participates with a different health benefits plan, see your employer about any post-retirement health benefits coverage options available to you.

Chapter 330

A LEO member who retires from an employer who does not provide **any** payment towards the retiree's health coverage or reimbursement of Medicare Part B premiums may be eligible for State Health Benefits Program (SHBP) enrollment under Chapter 330, P.L. 1997. The eligibility for benefits under Chapter 330 depends on the health benefits provided by the employer for retired officers as of the effective date of the law, July 1, 1998.

To be eligible for Chapter 330, LEO members do not need to have been covered by the SHBP while employed; however, they must be eligible for health benefits coverage with the employer immediately preceding retirement, **and**:

- Retire with 25 or more years of pension service credit or on a disability retirement;
- Not receive any post-retirement medical benefit from their employer; and
- Have no other employer group coverage as an “employee” as a result of other employment while retired.

If eligible, you may enroll yourself, your spouse, civil union partner, or an eligible domestic partner (see definitions below), and your children if under the age of 26.

Eligible retirees may enroll in any medical plan offered through the SHBP. The State will pay 80 percent of the cost of the least expensive plan offered by the SHBP for the level of coverage selected (Single, Member and Spouse/Partner, Family, or Parent and Child(ren)). The retiree pays the remaining cost of the chosen plan.

Definitions

- **Spouse** — This is a person to whom you are legally married. A photocopy of the *Marriage Certificate* is required for enrollment.
- **Civil Union Partner** — This is a person of the same sex with whom you have entered into a civil union. A photocopy of the *New Jersey Civil Union Certificate* or a valid certification from another jurisdiction that recognizes same-sex civil unions is required for enrollment. The cost of a civil union partner's coverage may be subject to federal tax (see your employer or Fact Sheet #75, *Civil Unions*, for details).
- **Domestic Partner** — This is a same-sex domestic partner, as defined under N.J.S.A. 26:8A-3, the Domestic Partnership Act, of any State employee, State retiree, or an eligible employee or retiree of a SHBP participating local public entity if the local governing body adopts a resolution to provide Chapter 246 health benefits. A photocopy of the *New Jersey Certificate of Domestic Partnership* dated prior to February 19, 2007 or a valid certification from another jurisdiction that recognizes same-sex domestic partners is required for enrollment. The cost of same-sex domestic partner coverage may be subject to federal tax (see your employer or Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, for details).

- **Child** — This includes your natural children under age 26 regardless of the child's marital, student, or financial dependency status. A photocopy of the child's birth certificate that includes the covered parent's name is required for enrollment.

Stepchildren, foster children, and children in a guardian-ward relationship under age 26 are also eligible. Additional supporting legal documentation is required in these cases.

Further information about Chapter 330 is detailed in Fact Sheet #47, *Retired Health Benefits Coverage Under Chapter 330*, which is available on the Division of Pensions and Benefits Web site: www.nj.gov/treasury/pensions/

OTHER PROVISIONS OF THE PERS

The rules regarding Contribution Rates, Purchasing Service Credit, Loans, Group Life Insurance (with the exception of Accidental Disability), and Withdrawal from the PERS are the same for LEO members as they are for regular PERS members. Please see the *PERS Member Handbook* or your benefits representative for more information regarding these benefits.

